

Before the
FEDERAL COMMUNICATIONS COMMISSION
 Washington, D.C. 20554

FCC MAIL ROOM

2000 NOV 15 P 12: 54

In the Matter of)

2000 Biennial Regulatory Review –)
 Telecommunications Service Quality)
 Reporting Requirements)

CC Docket No. 00-229

FILED

NOTICE OF PROPOSED RULEMAKING

Adopted: November 9, 2000

Released: November 9, 2000

By the Commission: Commissioner Tristani issuing a statement.

Comment Date: January 12, 2001

Reply Comment Date: February 16, 2001

TABLE OF CONTENTS

	<u>paragraph</u>
I. INTRODUCTION	1
II. BACKGROUND	7
III. DISCUSSION	10
A. Focus on End-User Consumers	11
B. Categories of Performance Data	16
1. Missed Installations	17
2. Installation Intervals	18
3. Trouble Reports	19
4. Out-of-Service Troubles	20
5. Missed Repair Appointments	21
6. Repair Intervals	22
7. Other Types of Information	23
8. Definitions	24
C. Broadband Services	25
D. Disaggregation of Information	27
E. Types of Reporting Entities	29
F. Frequency of Reporting	33
G. Public Disclosure of Service Quality Data	36
H. Record Retention	38
I. Elimination of Other Reporting Requirements	39
1. Interexchange Carriers	39
2. Network Reliability and Interoperability Council	40
3. Complaints to Federal and State Commissions	41
4. Customer Satisfaction Survey	42
5. All Other Reporting Requirements	43
J. NARUC White Paper	44
IV. CONCLUSION	45

V. PROCEDURAL MATTERS 46

APPENDIX A – Current ARMIS Requirements

APPENDIX B – Proposed Core Service Quality Reporting Requirements

APPENDIX C – NARUC Service Quality White Paper

APPENDIX D – Initial Regulatory Flexibility Analysis

I. INTRODUCTION

1. The purpose of the Telecommunications Act of 1996¹ is “to promote competition and reduce regulation in order to secure lower prices and higher quality services for American telecommunications consumers and encourage the deployment of new telecommunications technologies.”² In this proceeding, we propose to streamline and reform our existing service quality monitoring program to further that congressional mandate. We propose to eliminate reporting of many categories of information and thereby significantly reduce the regulatory burden for carriers, as well as to modify how other information is reported so that it will be more useful to consumers and to state and federal regulators. We believe this new initiative will give consumers more of the tools they need to actively participate in a competitive marketplace and give state and federal regulators access to data necessary to determine if the service quality goals of the 1996 Act are being met. More specifically, our goals in initiating this proceeding are three-fold.

2. First, we propose to eliminate the bulk of the existing service quality reporting requirements, which no longer make sense in today’s marketplace. We must be vigilant to deregulate where appropriate, consistent with the 1996 Act. Moreover, section 11 of the Communications Act of 1934, as amended (the Communications Act), requires that the Commission, in every even-numbered year beginning in 1998, review all regulations that apply to the operations and activities of any provider of telecommunications service and determine whether any of these regulations are no longer necessary in the public interest as the result of meaningful economic competition between providers of the service.³ Consistent with that directive, we now undertake a review of our existing service quality requirements contained in our Automated Reporting Management Information System (ARMIS)⁴ 43-05 Report (Service Quality) and ARMIS 43-06 Report (Customer Satisfaction). We propose to reduce our reporting requirements from more than 30 categories of information down to six.⁵

¹ The Telecommunications Act of 1996 (1996 Act), Pub. L. No. 104-104, 110 Stat 56, *codified at* 47 U.S.C. §§ 151 *et seq.*, amended the Communications Act of 1934.

² Joint Statement of Managers, S. Conf. Rep. No. 104-230, 104th Cong. 2d Sess. 1 (1996).

³ 47 U.S.C. § 161.

⁴ ARMIS is an automated system established by the Commission in 1987 for collecting financial and operating data needed to administer the accounting, joint cost, separations, rate base disallowance, and access charge rules. *See* Automated Reporting Requirements for Certain Class A and Tier 1 Telephone Companies, *Report and Order*, 2 FCC Rcd 5770 (1987), *recon.*, 3 FCC Rcd 6375 (1988).

⁵ Compare Appendix A with Appendix B.

3. Second, we seek to modify our existing reporting requirements to better serve our consumer protection goals. Significant marketplace changes have occurred since we adopted our current requirements in 1991. It is time to assess our service quality monitoring program as competition develops in local exchange markets, both in terms of who provides such information and what information is provided. The reporting program proposed in this Notice of Proposed Rulemaking (Notice) would arm consumers with the information that they need to make informed decisions. This should, in turn, enhance carriers' opportunities to distinguish their products based on quality, and motivate carriers to deliver even higher quality, more innovative communications services.

4. Third, we hope to explore alternative ways we can continue to work with the states to ensure that consumers enjoy high quality telecommunications service throughout the United States. Two years ago the National Association of Regulatory Utility Commissioners (NARUC) proposed revisions to our current program in a White Paper.⁶ Many state commissions are actively involved with service quality issues.⁷ Many states also utilize information filed with this Commission pursuant to our current service quality reporting requirements.⁸

5. As we move forward in this area, we must do so in partnership with the states. Our basic role in service quality is to serve as an efficient clearinghouse for information. Carriers increasingly are operating on a national scale. Competitive local exchange carriers (CLECs) employ multistate entry strategies, while the largest companies are entering markets outside their region. Both the states and the Commission need to work together to confront the challenges of service quality in a changing marketplace.

6. We believe that even in a robustly competitive environment, public disclosure of quality of service information can be an important way to safeguard consumer interests. We are committed to maintaining and, when possible, improving the traditionally high level of service quality enjoyed by American consumers, in furtherance of the 1996 Act's mandate. Under our proposed streamlined reporting requirements, carriers will report a minimal set of six categories of consumer-oriented service quality data to the Commission. Although states may, and likely will, continue to impose additional service quality reporting and performance requirements on carriers operating in their jurisdictions, our proposed national monitoring "floor" represents a uniform framework that can serve to minimize overall burdens associated with reporting the

⁶ National Association of Regulatory Utility Commissioners, SERVICE QUALITY WHITE PAPER (rel. Nov. 1998). The NARUC White Paper is attached as Appendix C.

⁷ Thirty states currently apply service quality requirements to all local exchange carriers. See "Recent Developments in Telecommunications Service Quality Regulation," The National Regulatory Research Institute (July 20, 1998) at 2. In contrast to the FCC monitoring program, a number of states have established service quality standards for their incumbent local exchange companies, requiring certain levels of performance. We note that the five state commissions in the Ameritech region have recently been confronted with a sharp increase service quality complaints, ranging from repair delays to customers going for weeks without service. See *Communications Daily*, *Ameritech Region Service Quality Crisis*, October 2, 2000; see also *Knight-Ridder Business News*, September 29, 2000; *Chicago Tribune* September 30, 2000, p1. In response to the region-wide service quality problems, the five state commissions in the region held a joint hearing on service quality and issued a joint statement in September 2000. See <http://cis.state.mi.us/mpsc/orders/press/2000/pr.txt.htm>.

⁸ See "Telecommunications Service Quality," The National Regulatory Research Institute (March 1996) at 71.

information. In so doing, the proposed minimal national framework operates to provide an efficient method of data collection that serves the interests of the carriers, consumers, and state and federal regulators alike.

II. BACKGROUND

7. We recognize that "service quality" has many dimensions, including customer service, billing practices, and network performance. In this Notice, we refer to service quality as data regarding the provisioning of telecommunications services, the maintenance and repair of telecommunications equipment and facilities, and the frequency and duration of various network troubles.⁹

8. Our current monitoring program was implemented in 1991 as part of our transition to price cap regulation.¹⁰ The program was adopted to ensure that price cap local exchange carriers (LECs) would maintain a high level of service quality and to allow for a full evaluation of these carriers under price cap regulation.¹¹ The Commission determined that all mandatory price cap LECs, as well as LECs that elect to be covered by price cap regulation, must submit quarterly service quality information. LECs for whom price cap regulation was mandatory -- at that time, GTE, Ameritech, Bell Atlantic, BellSouth, NYNEX, Pactel, SWB, and US West -- were also required to file annual infrastructure reports. The Commission delegated to the Chief of the Common Carrier Bureau (the Bureau) authority to establish reporting requirements to capture trends in service quality and infrastructure development in the telephone industry under price cap regulation. For administrative convenience, the service quality reports were integrated into ARMIS, our primary tool for regularly collecting financial and operating data from incumbent LECs.¹² The Common Carrier Bureau, working with the states, periodically summarizes such information in the Joint Board Monitoring Report. Moreover, the Bureau makes available trend information on the Commission website.

9. We note that the Commission adopted service quality reporting requirements, but not service quality standards. When the Commission adopted service quality reporting requirements, we stated that the Bureau and the Commission would revisit the service quality

⁹ In addition, common carriers that operate either transmission or switching facilities are required to notify the Commission of service outages that potentially affect 30,000 customers or that affect special facilities such as airports. Amendment of Part 63 of the Commission's Rules to Provide for Notification by Common Carriers of Service Disruptions, *Report and Order*, 7 FCC Rcd 2010 (1992), *Second Report and Order*, 9 FCC Rcd 3911 (1994), *recon.*, 10 FCC Rcd 11764 (1995). All communications common carriers are required to report network outages affecting 30,000 customers for 30 minutes or longer. See 47 C.F.R. § 63.100.

¹⁰ Policy and Rules Concerning Rates for Dominant Carriers, CC Docket No. 87-313, *Second Report and Order*, 5 FCC Rcd 6786 (1990) (*LEC Price Cap Order*), *modified on recon.*, 6 FCC Rcd 2637 (1991). The Commission previously had directed the Common Carrier Bureau to establish a service quality monitoring program at the divestiture of AT&T.

¹¹ See Policy and Rules Concerning Rates for Dominant Carriers, CC Docket No. 87-313, *Memorandum Opinion and Order*, 6 FCC Rcd 2974, 2994-95, ¶¶ 50-51 (1991) (*Service Quality Order*).

¹² See *LEC Price Cap Order*, 5 FCC Rcd at 6827, ¶¶ 341-42, 352.

reporting issues to modify the reporting requirements as the technology and industry change.¹³ The time has come for that re-examination.

III. DISCUSSION

10. In streamlining our existing service quality reporting requirements, we seek to address the needs of carriers, consumers, state public utility commissions and other interested parties. Our goal is to make available to consumers the service quality information they need to make informed choices as competition develops. Service quality information is of limited use to consumers if they do not have access to comparable information for all carriers in their area. Moreover, consumers potentially can choose from a broader array of services than ten years ago. As local exchange carriers begin to offer advanced services such as xDSL, it is time to consider whether consumers would benefit from having access to standardized information about the quality of such services as well as "Plain Old Telephone Service," or "POTS." We propose to require carriers to report fewer categories of service quality data in a more consumer-oriented format. We are aware that any new reporting requirements must be carefully designed to balance our objectives of ensuring that carriers maintain a high level of service quality with the need to minimize burdens imposed on carriers. We recognize that there may be some ways in which we could streamline reporting requirements without reducing the overall regulatory burden on carriers. Commenters should address how we can best avoid this unintended result. We encourage all interested parties, including state, consumer, community, and industry representatives, to participate in this proceeding.

A. Focus on End-User Consumers

11. As the telecommunications market grows more competitive, the need for companies to provide good service to attract and keep customers should serve as an incentive to maintain high quality service. Under such circumstances, we foresee less of a regulatory role in monitoring service quality. Given the relatively early stage of development of competition, however, mandating access to limited information about service quality may allow consumers to make informed choices about their telecommunications service providers. As we have recognized in our other recent consumer protection proceedings, the effective functioning of competitive markets is predicated on consumers having access (whether mandated access or access that arises voluntarily) to accurate, meaningful information, in a format they can understand.¹⁴ Information about service quality, like price, can and does have an effect on consumer purchasing decisions. Moreover, as we move into an era of multiple service providers and long-term service contracts, public availability of service quality information serves important consumer protection functions.¹⁵ Thus, in revamping our service quality reporting program, we seek to collect information that would be of the most import to consumers. We seek comment on this reasoning.

¹³ See *Service Quality Order*, 6 FCC Rcd at 2995, ¶ 51.

¹⁴ See *Truth-in-Billing and Billing Format*, CC Docket No. 98-170, *First Report and Order and Further Notice of Proposed Rulemaking*, 14 FCC Rcd 7492 (1999) (*TIB Order*).

¹⁵ We recognized in our *Truth-in-Billing and Truth in Advertising Proceedings* that arming consumers with information can help protect against fraud and help them make informed choices. See *TIB Order*; see also *Joint FCC/FTC Policy Statement for the Advertising of Dial-around and other Long Distance Services to Consumers*, File No. 00-EB-TCD-1(PS) (rel. Mar. 1, 2000) (*Truth in Advertising Joint Statement*).

12. In considering how to revise and streamline our existing service quality rules, we find it instructive to consider the airline industry reporting program, administered by the Department of Transportation (DOT).¹⁶ In 1987, the DOT established formal reporting requirements for U.S. air carriers, in an effort to reduce flight delays and growing consumer dissatisfaction with airline service.¹⁷ The current DOT airline reporting program is consumer-oriented. Carriers are only required to report information that is pertinent to consumers, such as on-time flight performance and baggage handling statistics.¹⁸ The airline program imposes a very limited set of reporting requirements. It is also tailored to take into account carrier size and market share, requiring mandatory reporting for the largest carriers and voluntary for all other carriers.

13. We view the quality monitoring program used for the airline industry as a potential model for our service quality program. The program for the airline industry is predominantly voluntary. The information required from the airlines is minimal and well focused on measurements that have the greatest importance to consumers. We seek comment on whether our service quality program should model itself after the airline industry monitoring program.

14. Currently, in the ARMIS 43-05 Service Quality Report, price cap incumbent LECs provide information on more than 30 different measures of service quality. More specifically, this report organizes service quality information into five tables: (1) installation and repair intervals for interexchange carriers (IXCs);¹⁹ (2) installation and repair intervals for local service customers; (3) trunk blockage; (4) total switch downtime and occurrences of two minutes or more duration; and (5) federal and state service quality complaints.²⁰ In the ARMIS 43-06 Customer Satisfaction Survey, carriers report information concerning the number of dissatisfied customers as determined in customer satisfaction surveys. This information is publicly available on our website. Thus, while consumers have been technically able to monitor trends using this information, much of it is technical in nature and may not be easily translated by consumers.

15. Accordingly, we propose to eliminate most of the current categories, and limit reporting to the areas that we believe are of particular interest to consumers.²¹ We note that in the

¹⁶ See 14 C.F.R. § 234.

¹⁷ See 52 FR 34056. Prior to 1984, the DOT used formal reporting requirements and performance standards to measure service quality in the airline industry. In 1984, the DOT rescinded its on-time flight reporting requirements concluding, at the time, that increased competition resulting from the deregulation of the airline industry provided sufficient economic incentives for carriers to schedule realistically, and, that the reporting program "did not perform an important function in helping passengers choose between competing airlines." Three years later, in 1987, in response to increased consumer complaints about flight delays, and the DOT's own investigation into carrier scheduling practices, the DOT re-implemented a modified set of flight performance reporting requirements.

¹⁸ See 14 C.F.R. § 234.

¹⁹ In Table I of ARMIS Report 43-05, price cap LECs report installation and repair data for switched and special access services provided to interexchange carriers.

²⁰ Appendix A contains the current reporting requirements in ARMIS Reports 43-05 and 43-06.

²¹ Appendix B contains the six core streamlined reporting requirements.

course of discussions leading up to our Notice of Proposed Rulemaking in Phase 2 of the Comprehensive Review of Accounting and Reporting Requirements,²² the United States Telecom Association (USTA) has proposed that, with minor modifications, the installation and repair portion of the NARUC White Paper be implemented as a revised ARMIS 43-05, which is similar to the proposal set forth here.²³ Our intent is to provide customers with relevant information about services that are of particular interest to them, not to increase our reporting requirements. We seek comment on the following proposals and encourage commenters to propose any alternatives they deem appropriate.

B. Categories of Performance Data

16. As described below, we propose to continue reporting obligations for six categories of service quality information that we believe are relevant and important to consumers. At the most simplistic level, we think that what consumers care about is whether they can get service when they want it, and whether that service works. For that reason, we propose to retain reporting for the following measures: (1) the percentage of installation appointments that are missed; (2) the time it takes to install service; (3) the percentage of lines that have problems, including out of service lines; (4) the time it takes to have out of service lines repaired; (5) the percentage of repair appointments that are missed; and (6) the time it takes to repair service.

1. Missed Installations

17. A missed installation occurs when service is not provided on or before the date and time of the commitment with the customer.²⁴ Failing to appear on time for an installation appointment wastes consumers' time and results in slower, less efficient installation service. Information on missed installation commitments could help consumers evaluate a carrier's ability to deliver on its promise to install service on time. Data regarding the installation of services allow federal and state regulators, and consumers, to evaluate the adequacy of the carrier's telephone plant facilities and workforce, and the carrier's success at meeting customer expectations and their own commitments. We propose that carriers continue to report the number of missed installation commitments and the total number of installations that occur during the reporting period. Through these two numbers a percentage can be generated that can permit appropriate comparisons among companies by consumers. We seek comment on this proposal.

2. Installation Intervals

18. Under our current ARMIS program, price cap incumbent LECs report the average time to complete an installation. We believe we should continue the reporting of installation time because consumers should know how long it is likely to take a particular carrier to provide service. We also seek comment, however, on whether we should measure installation

²² See 2000 Biennial Regulatory Review – Comprehensive Review of the Accounting Requirements and ARMIS Reporting Requirements for Incumbent Local Exchange Carriers: Phase 2 and Phase 3, CC Docket 00-199, *Notice of Proposed Rulemaking*, FCC 00-364 (rel. October 18, 2000).

²³ See Letter from Linda Kent, USTA, to Joann Lucanik and Tim Peterson, Attachment at 6 (June 9, 2000).

²⁴ This is currently reported in ARMIS 43-05, Table II.

intervals in a different way. An average completion time may not provide an accurate picture to consumers because outliers may skew the reported data. We seek comment on whether carriers should report the number of installation orders for service completed within a specified number of days, such as five working days, instead of the current average interval, and the total number of installation orders.

3. Trouble Reports

19. A "trouble" is an impairment on a customer's line. A trouble report is the record of when the repair office receives notification of a trouble. Under our existing ARMIS requirements, carriers are required to report the number of initial trouble reports and repeat trouble reports broken down into multiple subcategories.²⁵ An initial trouble report is the first trouble report on a line. A repeat trouble report is a report on a trouble within 30 days after the initial report on that trouble has been resolved. While repeat and subsequent trouble information is useful as a diagnostic tool to regulators, multiple categories of different repair information may be confusing to the average consumer. We seek comment on whether carriers should report only the number of initial trouble reports and number of out-of-service troubles occurring within the reporting period, as well as the total number of access lines.

4. Out-of-Service Troubles

20. An out-of-service trouble means that a consumer cannot make or receive calls. In addition to the inconvenience and potential financial impact of such an outage, this also raises safety concerns because the consumer cannot make 911 emergency calls. Under our current ARMIS requirements carriers report average intervals for out-of-service troubles, as well as intervals for all other trouble reports. We believe consumers are more likely to care how long their telephone is out of service than, for instance, how long it takes to repair static on the line. We propose streamlining our current requirement to collect only information on average intervals for out-of-service troubles. We seek comment on this proposal.

5. Missed Repair Appointments

21. Accurate reported data about the repair of service will allow the Commission, state commissions, and consumer groups to evaluate the adequacy of a carrier's telephone plant facilities and workforce, and determine whether consumers are receiving corrective action when problems arise. Under our current ARMIS requirements, carriers only report repair intervals, but not whether they keep commitments to the customer. A missed repair commitment occurs when a customer trouble is not repaired on or before the date and time commitment with the customer. The number of missed repair commitments should have a direct impact on consumers who are waiting for service problems to be fixed. We propose that carriers report the number of missed repair commitments, and the total number of repair commitments. We seek comment on this proposal.

²⁵ See Appendix A.

6. Repair Intervals

22. Under our current ARMIS program, price cap incumbent LECs report the average time for repairs. We propose to continue measuring repair intervals and seek comment whether we should require an average or some other measure.

7. Other Types of Information

23. We ask commenters whether there are other types of service quality information that consumers would find useful, and if so, what are the benefits, burdens and feasibility of requiring carriers to collect and disclose such information. For instance, we seek comment on whether carriers should report the length of time customers wait on hold before speaking to a customer service representative and the length of time a customer has to wait for a call back from a carrier. Commenters should discuss how carriers would collect this information. For all additional proposals, commenters should discuss how the measure should be defined, if adopted.

8. Definitions

24. Our current ARMIS program provides basic definitions and instructions for the reporting the various service quality measurements.²⁶ We seek comment on whether we need to specify with more particularity the definitions and business rules for the measures that we propose to retain, so that comparisons between carriers will be accurate and meaningful.²⁷ We seek comment, for instance, on the definitions contained in the NARUC White Paper.

C. Broadband Services

25. The deployment of new technologies and new services is a matter of particular interest to the Commission. In the *Local Competition and Broadband Data Gathering Program*, we are undertaking efforts to better understand the provision of these services.²⁸ The data collected through the *Local Competition and Broadband Data Gathering Program*, however, does not provide information on service quality for broadband services.²⁹ Instead, the objective of the *Local Competition and Broadband Data Gathering Program* is to provide the Commission with information on local competition and the deployment of broadband in the United States. We are not aware of any systematic source of service quality information on xDSL or other advanced services.

²⁶ See, e.g., FCC Report 43-05, Reporting Procedures (December 1999); Revision of ARMIS Annual Summary Report (FCC Report 43-01) *et al.*, Order, 12 FCC Rcd 21831 (1997).

²⁷ The NARUC White Paper notes that state commissions and U.S. Territories have encountered significant discrepancies in the way data was reported by carriers discovered through audits of the carriers. For example, one carrier may have a list of twenty or more reasons for excluding a trouble ticket from the report, while another utility may have only two or three exceptions.

²⁸ See *Local Competition and Broadband Reporting*, CC Docket No. 99-301, *Report and Order*, 15 FCC Rcd 7717 (2000) (*Local Competition and Broadband Data Gathering Program*).

²⁹ *Id.* While the data gathering efforts in the *Local Competition and Broadband Data Gathering Program* cover a broader range of providers than ARMIS (e.g., large and small providers, and entities other than incumbent local exchange carriers), it collects only a very limited amount of information from each reporting firm and no data at all on such subjects as revenues and service quality.

26. Our current ARMIS reporting requirements only collect information about service quality for basic voice telephony (e.g., POTS). We seek comment on whether to gather information and report about service quality in the provision of broadband and other advanced services.³⁰ Commenters should discuss the services about which we should seek service quality information. We have received consumer complaints suggesting, for instance, that the process of initiating xDSL service can be time consuming. We seek comment on what information in this area consumers would find useful, and what are the costs and benefits of adding any new reporting requirements in this area. Our goal is to adapt our existing program to reflect a changing marketplace, without unduly burdening carriers with new requirements.

D. Disaggregation of Information

27. Currently, carriers that file ARMIS Report 43-05 are required to report installation and repair information separately for business and residential customers. We propose to maintain this aspect of our reporting requirements. A review of data filed to date shows different quality of service performance in the residential market and business markets. Accordingly, we seek comment on maintaining this disaggregation. Permitting carriers to aggregate business and residential customers into one class could provide a misleading picture of the carrier's performance with respect to each group of customers.

28. To depict a carrier's service quality in urban and rural areas, the current ARMIS service quality reports disaggregate information into results in "Metropolitan Statistical Areas" (MSAs) and "Non-Metropolitan Statistical Areas" (Non-MSAs). USTA proposes that we no longer require carriers to disaggregate data into MSA and non-MSA categories.³¹ USTA argues that a review of data filed to date in ARMIS shows no significant variance in performance for MSA and non-MSA areas. We seek comment on this proposal.

E. Types of Reporting Entities

29. Currently, only price cap LECs file the ARMIS 43-05 and 43-06 reports. We do not collect service quality data from small incumbent LECs, including those serving rural areas, nor do we collect this data from competitive LECs (CLECs). The NARUC White Paper concludes that service quality data would be more meaningful for all interested parties, including consumers and state commissions, if all LECs – including CLECs – reported such data. We believe that if consumers had access to service quality data from all carriers providing local exchange service in their area, they would be in a better position to make an informed choice between, or among, carriers. We seek comment on the benefits and costs of imposing these new

³⁰ In our *Second 706 Report*, we defined high-speed services as infrastructure capable of delivering a speed in excess of 200 kbps in each direction. We denominated as "high-speed" those services capable of delivering transmission speeds in excess of 200 kbps in at least one direction. Advanced telecommunication capability and advanced services thus are a subset of the larger "high-speed" category. See *Inquiry Concerning the Deployment of Advanced Telecommunications Capability to All Americans in a Reasonable and Timely Fashion, and Possible Steps to Accelerate Such Deployment Pursuant to Section 706 of the Telecommunications Act of 1996*, CC Docket No. 98-146, *Second Report*, FCC 00-290 (rel. Aug. 21, 2000) (*Second 706 Report*).

³¹ See Letter from Linda Kent, USTA, to Joann Lucanik and Tim Peterson, FCC, Attachment at 6, (June 9, 2000).

reduced service quality reporting requirements on a broader class of carriers than currently are subject to the more numerous requirements so that consumers may compare service quality of competing carriers. Commenters should discuss whether marketplace forces alone are likely to adequately provide incentives to competitors to incumbent LECs to disclose voluntarily information about service quality, and whether certain entities could be exempt from service quality reporting requirements without compromising our consumer protection objectives in this proceeding.³² Commenters also should address how imposition of these requirements on CLECs and smaller LECs fits into our traditional regulatory treatment of these entities, many of which may not have encountered regulatory burdens of this nature at the federal level. We are seeking to balance the consumer's need for information with the reporting burden on the industry. Furthermore, we are particularly mindful of the cost of collecting information, particularly on small carriers, and we are intent on minimizing such costs.

30. We seek comment on whether a viable alternative would be voluntary service quality reporting procedures for certain carriers.³³ Our service quality program could, for example, establish mandatory service quality reporting for incumbent LECs exceeding a threshold of lines served, such as two percent of the nation's access lines,³⁴ or annual revenue, and allow voluntary service quality reports for all other carriers, including CLECs. The voluntary reports would have to be in the same format and use the same definitions as the required reports to facilitate comparisons between carriers. In addition, the data in the voluntary reports would need to be reported with the same frequency required in the mandatory reports, to facilitate useful comparisons by consumers.

31. We seek comment on whether carriers should be relieved of all mandatory reporting under certain circumstances, and if so, when. For instance, we seek comment on whether a carrier should be relieved of any federal reporting obligation, if there are few or no service quality complaints relating to that carrier pending before a state commission, or if its performance meets a specified benchmark for a period of time. Such an approach, in essence, would relieve carriers of reporting obligations for good behavior, while enabling consumers to learn of problems in carrier performance. If we were to adopt such an approach, we seek comment on what the appropriate benchmarks should be.

32. We note that resellers and competitors that purchase network elements from an incumbent LEC may have no control over the service quality of the resold service or the purchased elements, which may impact their service to retail customers. Commenters should discuss how, if voluntary or mandatory reporting were extended to a broader class of carriers, service quality measures could take into account problems due to the conduct of the incumbent so that consumers would receive an accurate picture of the service quality provided by different

³² The airline industry, for example, sets a threshold based on one percent of domestic revenues. See 14 C.F.R. § 234.3.

³³ In our Local Competition and Broadband Reporting proceeding, however, we concluded that voluntary surveys were an inadequate source of data. See *Local Competition and Broadband Data Gathering Program*, 15 FCC Rcd at 7727, ¶¶ 15.

³⁴ Currently, the incumbent local exchange carriers that have 2 percent or more of the nations' access lines are Bell South, Qwest, Verizon, SBC Communications, and Sprint.

carriers.³⁵ Commenters should address the costs and benefits of adding any new reporting requirements in this area.

F. Frequency of Reporting

33. Currently, carriers subject to ARMIS 43-05 file such reports on an annual basis. In the 1996 Act, Congress required that ARMIS data be filed only on an annual basis.³⁶ NARUC's Service Quality White Paper proposes that we gather service quality information on a quarterly basis. We seek comment on whether, in light of the greatly reduced amount of information being collected, it would better serve our consumer protection goals to collect service quality information more frequently than yearly, and how we might accomplish that mission. We seek comment on the burdens associated with increasing the reporting frequency and whether such burdens are outweighed by the incremental benefit to consumers.

34. Individual states may require more frequent service quality reporting, *e.g.*, quarterly. We seek comment on whether we should act as a federal clearinghouse for information gathered at the state level. We seek input from the states on whether they would be able to transmit to us whatever service quality information they collect on a more frequent basis. We also seek comment on whether variations in state reporting requirements would make it difficult to integrate such information into a unified national database.

35. Another alternative would be for carriers to file information in ARMIS on a yearly basis, but post service quality information on their own website on a more frequent basis. We seek comment on these proposals and any other proposals that would facilitate consumer access to service quality information on a more timely basis.

G. Public Disclosure of Service Quality Data

36. Service quality information can enable consumers to compare carriers in their area and make informed choices between, or among, carriers. We seek comment on whether an effective method of publicizing service quality data would be for carriers to post service quality data on their web sites. This data would be accessible to the general public, as well as to state commissions and other interested parties. We propose that carriers would continue to file the service quality reports with the Commission as well, which would continue to be a central clearinghouse for service quality data.³⁷ We note that because carriers are required to report accurate information to the Commission,³⁸ and the Commission can require carriers to correct inaccurate data, collecting information at the federal level provides some ability to ensure that the information is accurate, which ultimately benefits consumers. We seek comment on whether carriers should be required to post on their website the number of complaints pending before the

³⁵ We note that in the section 271 context, the issue of whether disparities in performance are due to conduct of the BOC or competitors has been a fact-intensive, highly contested issue.

³⁶ The Telecommunications Act of 1996 (1996 Act), Pub. L. No. 104-104 § 402(b)(2).

³⁷ ARMIS information is currently available on our website at www.fcc.gov/ccb/armis.

³⁸ Pursuant to section 1.17 of our rules, carriers are obliged to file accurate information with the Commission. See 47 C.F.R. § 1.17. Section 1.80 provides for application of the statutory maximum forfeiture for "misrepresentation/lack of candor." See 47 C.F.R. § 1.80(b)(4).

FCC and state commission, and the number of issues raised before federal or state regulators that have been referred to the carrier for further investigation and action. In addition, we seek comment on whether other public disclosure methods should be available for those without access to the Internet.

37. We also seek comment on whether there are other public sources for service quality information. In particular, we ask the states to inform us of the extent to which they collect service quality information, and whether that information is publicly accessible. We seek comment on whether we should rely on state collected information, to the extent that states require carriers to report service quality information.

H. Record Retention

38. Carriers that currently file ARMIS 43-05 data must retain the data for four years. We seek comment on how long the underlying data used to develop service quality reports should be retained and made available for inspection upon request to the Commission and state regulators. NARUC proposes, for instance, that the underlying data be retained for two years.

I. Elimination of Other Reporting Requirements

1. Interexchange Carriers

39. In Table I of the ARMIS Report 43-05 Service Quality Report, we currently collect information from price cap incumbent LECs about the installation and repair of access services provided to interexchange carriers. In Table III of the same report, price cap carriers provide information about common trunk group blockage. We seek comment on whether we should eliminate these categories of information from our service quality reporting program. This information reports the quality of service performed by incumbent LECs to interexchange carriers. We seek comment on whether IXCs are able to monitor service quality through operation of their business relationships with the incumbent local exchange carriers. Unlike residential and small business consumers, IXCs often have good bargaining positions when purchasing services from incumbent LECs because they purchase large volumes of telecommunications services on an individual basis.³⁹ IXCs also are more likely to possess the analytical expertise and resources needed to protect themselves against service quality degradation. In addition, IXCs may have an independent ability to monitor service quality and have a vast amount of technical data at their disposal. In fact, we understand that, at least in some cases, IXCs provide each other the relevant service quality data without the need for regulatory involvement. We seek comment on whether revising our service quality reporting requirements to focus on categories of service quality data that are meaningful to end-user consumers is the more appropriate continuing regulatory focus. We therefore seek comment on whether this information -- the service quality that LECs provide to IXCs -- should be eliminated from our service quality reporting requirements.

³⁹ In 1998, for example, interexchange carriers purchased \$25.25 billion in interstate access services from incumbent LECs. See FCC, STATISTICS OF COMMUNICATIONS COMMON CARRIERS 154 (1998/1999 ed.).

2. Network Reliability and Interoperability Council

40. The Network Reliability and Interoperability Council (NRIC) was established by the FCC to bring together leaders of the telecommunications industry with academic and consumer organizations to explore and recommend measures that would enhance network reliability. Following the 1996 Act, the NRIC was charged with analyzing network and interconnectivity issues raised by Section 256 of the Act.⁴⁰ Carriers currently report in ARMIS 43-05, Table IV, the number of switches serving specified numbers of lines and the number of times switches are down from two minutes or longer. The number and duration of switch outages and interoffice transmission facility outages indicates the carrier's performance in providing continual access to the full capabilities and benefits of the network. This data has been gathered in ARMIS as a complement to information collected on large switches by the Network Reliability Council. Together this information has permitted regulators to monitor and assess network reliability, which is important to consumers because such outages affect service in their area. We seek comment on whether we should continue to collect the information contained in Table IV of ARMIS Report 43-05. We also seek comment on whether competitive pressures to achieve network reliability in today's marketplace have sufficiently replaced the need for reporting of network reliability data.

3. Complaints to Federal and State Commissions

41. Price cap incumbent LECs currently report to us, as part of ARMIS, the number of customer complaints made to federal and state regulators. We believe that this measure continues to be an important source of information for consumers in making carrier selections as well as an effective consumer protection tool. In this proceeding, we seek to reduce carrier reporting obligations if there is an alternative way we can obtain such information. We have access to the number of carrier complaints currently pending at the FCC. If carriers are required to post federal and state complaint information on their websites,⁴¹ however, would there be an additional regulatory burden for them to submit such information to the Commission as part of ARMIS? We seek comment on the feasibility of our obtaining state complaint information directly from the states, rather than from the carriers. We seek comment on the benefits and burdens of requiring companies to continue to file FCC and state complaint information as part of ARMIS. In addition, we seek comment on whether carriers should be required to report the number of complaints they receive directly from consumers.

4. Customer Satisfaction Survey

42. Price cap LECs currently are required to conduct a survey of their customers' satisfaction and report the results of that survey in ARMIS Report 43-06. We propose to eliminate this requirement. Actual complaint information may be a better indicator of trends in service quality than a telephone consumer survey. We seek comment on this proposal.

⁴⁰ See 47 U.S.C. § 256.

⁴¹ See paragraph 36, *supra*.

5. All Other Reporting Requirements

43. As discussed above, we propose to streamline our service quality reporting requirements to six core reporting categories, while eliminating all other reporting categories contained in ARMIS Service Quality Reports 43-05 and 43-06. We believe that streamlining our service quality reporting program to six requirements will allow us to fulfill our consumer protection goals, while reducing administrative burden on carriers that are currently required to file this information. We seek comment on the costs and benefits of eliminating this information from our service quality reporting program.

J. NARUC White Paper

44. The NARUC White Paper contains additional proposals for refining our service quality monitoring program. These include more detailed measurements related to maintenance and repair intervals, answer time performance, and network performance.⁴² The White Paper also proposes that the reports be made available to the public to allow interested parties to assess the data, and to provide consumers with information about their telecommunications carriers. We seek comment on the proposals in NARUC's White Paper.

IV. CONCLUSION

45. We are committed to improving the Commission's service quality monitoring program to give consumers the ability to compare the service quality of competing carriers. At the same time, we intend to limit the reporting burden on carriers by reducing the categories of reported data. By making available timely and reliable service quality data, we hope to meet the needs of consumers as competition grows in the local exchange marketplace. In various contexts, we have recognized the importance of information for a market to function efficiently.⁴³ If consumers receive only limited information, the market will not function efficiently and consumers likely will not receive the quality they prefer.⁴⁴ We hope to facilitate market efficiency by ensuring that consumers have the information they need to make informed buying decisions.

V. PROCEDURAL MATTERS

A. Ex Parte Presentations

46. This is a "permit-but-disclose" rulemaking proceeding subject to the "permit-but-disclose" requirements under section 1.1206 of the Commission's rules, as revised.⁴⁵ Additional rules pertaining to oral and written presentations are set forth in section 1.1206.

⁴² See NARUC White Paper in Appendix C.

⁴³ See, e.g., Policy and Rules Concerning the Interstate Exchange Marketplace, *Second Order on Reconsideration and Erratum*, 14 FCC Rcd 6004 (1999). See also *TIB Order* at 7497, ¶ 7.

⁴⁴ MODERN INDUSTRIAL ORGANIZATION at 554.

⁴⁵ See generally 47 C.F.R. §§ 1.1202, 1.1203, 1.1206.

B. Initial Regulatory Flexibility Act Analysis

47. As required by the Regulatory Flexibility Act (RFA),⁴⁶ the Commission has prepared an Initial Regulatory Flexibility Analysis (IRFA) of the possible significant economic impact on small entities of the policies and rules proposed in this Notice. The IRFA is set forth as Appendix D. Written public comments are requested with respect to the IRFA. These comments must be filed in accordance with the same filing deadlines for comments on the rest of this Notice and they must have a separate and distinct heading, designating the comments as responses to the IRFA.

C. Initial Paperwork Reduction Act Analysis

48. This Notice contains either a proposed or modified information collection. As part of our continuing effort to reduce paperwork burdens, we invite the general public to take this opportunity to comment on the information collections contained in this Notice, pursuant to the Paperwork Reduction Act of 1995, Pub. L. No. 104-13. Public and agency comments are due at the same time as other comments on this Notice. Comments should address: (a) whether the proposed collection of information is necessary for the proper performance of the functions of the Commission, including whether the information shall have practical utility; (b) the accuracy of the Commission's burden estimates; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of collection of information on respondents, including the use of automated collection techniques or other forms of information technology.

D. Comment Filing Procedures

49. Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415, 1.419, interested parties may file comments on or before January 12, 2001 and reply comments on or before February 16, 2001. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies.

50. Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit an electronic comment by Internet e-mail. To get filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply.

51. Parties who choose to file by paper must file an original and four copies of each filing. If participants want each Commissioner to receive a personal copy of their comments, an original plus nine copies must be filed. If more than one docket or rulemaking number appear in

⁴⁶ The RFA, see 5 U.S.C. § 601 *et seq.*, has been amended by the Contract With America Advancement Act of 1996, Pub. L. No. 104-121, 110 Stat. 847 (1996) (CWAAA). Title II of the CWAAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA).

the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. All filings by paper must be sent to the Commission's Secretary: Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.

52. Parties who choose to file by paper should also submit their comments on diskette. Diskettes should be submitted to: Ernestine Creech, Accounting Safeguards Division, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554. The required diskette copies of submissions should be on 3.5 inch diskettes formatted in an IBM compatible format using Word or compatible software. Each diskette should be accompanied by a cover letter and should be submitted in "read only" mode. The diskette should be clearly labeled with the commenter's name, proceeding (CC Docket No. 00-229), type of pleading (comment or reply comment), date of submission, and the name of the electronic file on the diskette. The label should also include the following phrase "Disk Copy - Not an Original." Each diskette should contain only one party's pleadings, preferably in a single electronic file. In addition, parties who choose to file by paper must send diskette copies to the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, N.W., Washington, D.C. 20036. Comments and reply comments will be available for public inspection during normal business hours in the FCC Reference Information Center, Courtyard Level, Suite CY-A257, 445 12th Street, S.W., Washington, D.C.

53. Written comments by the public on the proposed and/or modified information collections are due thirty days after date of publication in the Federal Register. Written comments must be submitted by the Office of Management and Budget (OMB) on the proposed and/or modified information collections on or before 60 days after date of publication in the Federal Register. In addition to filing comments with the Secretary, a copy of any comments on the information collections contained herein should be submitted to Judy Boley, Federal Communications Commission, Room 1-C804, 445 12th Street, S.W., Washington, D.C. 20554, or via the Internet to jboley@fcc.gov and to Edward Springer, OMB Desk Officer, 10236 NEOB, 725 - 17th Street, N.W., Washington, D.C. 20503.

VI. ORDERING CLAUSES

54. Accordingly, IT IS ORDERED that, pursuant to the authority contained in sections 4(i), 4(j), 201(b), 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 201(b), 303(r), and 403, this NOTICE OF PROPOSED RULEMAKING is hereby ADOPTED.

55. IT IS FURTHER ORDERED that the Commission's Consumer Information Bureau, Reference Information Center, SHALL SEND a copy of this NOTICE OF PROPOSED RULEMAKING, including the Initial Regulatory Flexibility Analysis, to the Chief Counsel for Advocacy of the Small Business Administration.

FEDERAL COMMUNICATIONS COMMISSION



Magalie Roman Salas
Secretary

APPENDIX A

CURRENT ARMIS REQUIREMENTS

FCC Report 43-05
ARMIS SERVICE QUALITY REPORT

COMPANY: XXXXXXXXXXXXXXXX
STUDY AREA: XXXXXXXXXXXXXXXX
PERIOD: From mmm yyyy To mmm yyyy
COSA: XXXX

XXXX Version
Submission XXX
TABLE I
PAGE 1 OF 1

**TABLE I – INSTALLATION AND REPAIR INTERVALS
(Interexchange Access)**

ROW	CLASSIFICATION	COLUMN		
		Switched Access	Special Access	
			High Speed	All
			Special Access	Special Access
		(aa)	(ab)	(ac)

INSTALLATION INTERVALS:

0110	# Total Number of Orders or Circuits		N/A	
0111	# Missed for Customer Reasons (MCR)		N/A	
0112	% Commitments Met		N/A	
0114	Average Interval (in days)		N/A	

REPAIR INTERVALS:

0120	# Total Trouble Reports			
0121	Average Interval (in hours)			

Legend:

- # indicates items that are not dollars or percents
- % indicates items to be entered as a percent

FCC Report 43-05
ARMIS SERVICE QUALITY REPORT

COMPANY: XXXXXXXXXXXXXXXX
STUDY AREA: XXXXXXXXXXXXXXXX
PERIOD: From mmm yyyy To mmm yyyy
COSA: XXXX

XXXX Version
Submission XXX
TABLE II
PAGE 1 OF 1

**TABLE II – INSTALLATION AND REPAIR INTERVALS
(Local Service)**

ROW	CLASSIFICATION	COLUMN						
		Residence			Business			Total
		MSA	Non-MSA	Total	MSA	Non-MSA	Total	
		(ad)	(ae)	(af)	(ag)	(ah)	(ai)	

INSTALLATION INTERVALS:

0130	# Installation Orders							
0131	# Missed/Cust. Reasons (MCR)							
0132	% Commitments Met							
0134	Average Interval (in days)							

REPAIR INTERVALS:

0140	# Total Access Lines							
------	----------------------	--	--	--	--	--	--	--

INITIAL TROUBLE REPORTS:

0141	# Init. Trouble Reports							
0144	# Out-of-Svc. Trbl. Rpts.							
0145	Out-of-Svc. Rpr. Intvl. (in hours)							
0146	# All Other Trbl. Rpts.							
0147	All Other Rpr. Intvl. (in hours)							
0160	# Subsequent-Initial Trbl. Rpts.							

REPEAT TROUBLE REPORTS:

0142	# Repeat Trouble Reports							
0148	# Out-of-Svc. Trbl. Rpts.							
0149	Out-of-Svc. Rpr. Intvl. (in hours)							
0150	# All Other Trbl. Rpts.							
0151	All Other Rpr. Intvl. (in hours)							
0170	# Subsequent-Repeat Trbl. Rpts.							

NO TROUBLE FOUND:

0143	# Total No Trouble Found							
------	--------------------------	--	--	--	--	--	--	--

Legend:

indicates items that are not dollars or percents
% indicates items to be entered as a percent

FCC Report 43-05
ARMIS SERVICE QUALITY REPORT

COMPANY: XXXXXXXXXXXXXXXX
STUDY AREA: XXXXXXXXXXXXXXXX
PERIOD: From mmm yyyy To mmm yyyy
COSA: XXXX

XXXX Version
Submission XXX
TABLE III
PAGE 1 OF 1

TABLE III – COMMON TRUNK BLOCKAGE

ROW	CLASSIFICATION	COLUMN
		Annual
		(ak)
0180	# Total Trunk Groups	
0181	# Groups Measured	
0185	# FGD Groups Exceeding Threshold 3 Mos.	
0186	# Other Groups Exceeding Threshold 3 Mos.	
0187	# FGD Groups Exceeding Threshold 1 Mo.	
0188	# Other Groups Exceeding Threshold 1 Mo.	
0189	# FGD Groups Exceeding DBO 3 Mos.	
0190	# Other Groups Exceeding DBO 3 Mos.	

Legend:

indicates items that are not dollars or percents
% indicates items to be entered as a percent

FCC Report 43-05
ARMIS SERVICE QUALITY REPORT

COMPANY: XXXXXXXXXXXXXXXX
STUDY AREA: XXXXXXXXXXXXX
PERIOD: From mmm yyyy To mmm yyyy
COSA: XXXX

XXXX Version
Submission XXX
TABLE IV
PAGE 1 OF 1

TABLE IV - TOTAL SWITCH DOWNTIME

ROW	CLASSIFICATION	COLUMN					
		Total Number Switches	Switches With Downtime	Total Switch Downtime	Incidents Under 2 Minutes		
					Total	Unscheduled	% Unscheduled
		(an)	(ao)	(ap)	(aq)	(ar)	(as)
0200	MSA						
0201	Non-MSA						
0210	Switches Under 1000 Lines						
0211	Switches 1000-4999 Lines						
0212	Switches 5000-9999 Lines						
0213	Switches 10000-19999 Lines						
0214	Switches 20000 or More Lines						

FCC Report 43-05
ARMIS SERVICE QUALITY REPORT

COMPANY: XXXXXXXXXXXXXXXX
STUDY AREA: XXXXXXXXXXXXXXXX
PERIOD: From mmm yyyy To mmm yyyy
COSA: XXXX

XXXX Version
Submission XXX
TABLE IV-A
PAGE 1 OF 1

TABLE IV-A – OCCURRENCES OF TWO MINUTES OR MORE DURATION DOWNTIME

	Cause	CLLI Code	Access Lines	MSA	Duration	Date	Time
ROW	(t)	(u)	(v)	(w)	(x)	(y)	(z)
0220							
0221							

319							
341							
342							

1040							

*** Denotes a continuation of rows.

FCC Report 43-05
ARMIS SERVICE QUALITY REPORT

COMPANY: XXXXXXXXXXXXXXXX
STUDY AREA: XXXXXXXXXXXXXXXX
PERIOD: From mmm yyyy To mmm yyyy
COSA: XXXX

XXXX Version
Submission XXX
TABLE V
PAGE 1 OF 1

TABLE V – SERVICE QUALITY COMPLAINTS

ROW	CLASSIFICATION	COLUMN		
		Total	MSA	Non-MSA
		(da)	(db)	(dc)
0320	# Business Access Lines			
0321	# Federal Complaints-Business			
0322	# State Complaints-Business			
0330	# Residential Access Lines			
0331	# Federal Complaints-Residence			
0332	# State Complaints-Residence			

Legend:

indicates items that are not dollars or percents

% indicates items to be entered as a percent

FCC Report 43-06
ARMIS CUSTOMER SATISFACTION REPORT

COMPANY: XXXXXXXXXXXXXXXX
STUDY AREA: XXXXXXXXXXXXXXXX
PERIOD: From mmm yyyy To mmm yyyy
COSA: XXXX

XXXX Version
Submission XXX
TABLE I
PAGE 1 OF 1

TABLE I – SUMMARY CUSTOMER SATISFACTION SURVEY

ROW	Classification	COLUMN					
		Residential		Small Business		Large Business	
		Number Surveyed (ab)	Percent Dissatisfied (ac)	Number Surveyed (ad)	Percent Dissatisfied (ae)	Number Surveyed (af)	Percent Dissatisfied (ag)
0020	Reserved	N/A	N/A	N/A	N/A	N/A	N/A
0040	Installations						
0060	Repairs						
0080	Business Office						

APPENDIX B**PROPOSED CORE SERVICE QUALITY REPORTING REQUIREMENTS****Disaggregated into Residential/Business:****Installation****%Missed Installations [# of Missed Installations / # of Installations]****Installation Intervals [Average or % within specified number of days]****Trouble Reports****% Initial Trouble [# of Initial Trouble (disaggregated into out-of-service trouble and all other trouble) / # of Access Lines]****Out-of-Service Intervals [Average]****Repairs****%Missed Repairs [# of Missed Repairs / # of Repair Commitments]****Repair Intervals [Average or % within specified number of days]**

APPENDIX C

NARUC SERVICE QUALITY WHITE PAPER

Adopted in Convention November 11, 1998

NARUC Technology Policy Subgroup "Service Quality White Paper"

I. PREAMBLE

The Telecommunications Act of 1996 ("1996 Act") called for sweeping changes in the way telephone services are delivered, with the principal focus both on ensuring Universal Service and opening markets to competition. Furthermore, the 1996 Act promoted higher quality service to American telecommunications consumers. In this environment, regulators at both the state and federal levels will be taking a number of innovative actions to implement the Act's provisions.

This paper suggests that, by measuring and reporting telecommunications service quality, all stakeholders can assure themselves service quality is meeting customers' needs and identify areas where there may be weaknesses in need of corrective action. A highly-publicized service quality reporting program will provide consumers with the information necessary for making informed and rational choices. In addition, publicizing service quality performance will both draw attention to potential problem areas before impacting consumers and provide a strong incentive for carriers to improve quality year after year.

The Technology Policy Subgroup suggests in this White Paper that telecommunications carriers provide Service Quality measurements to the FCC, and that a report of these performance measures be made available to the public. This will allow interested parties to assess current service quality levels among the states, and identify increasing or decreasing trends over time.

The measures being suggested for inclusion meet the following criteria:

- o They are considered by the states to be meaningful and significant indicators of service quality, and experience suggests that failures in these areas result in customer dissatisfaction and complaints.
- o They are relatively consistent, in both use and definition, among the states.
- o Most, if not all, telephone companies already capture this data for internal management purposes, and report it to state and/or federal regulators. (This is not intended to require that a company not already reporting for state or federal purposes would be required to do so for this report.)

II. SERVICE QUALITY REPORTING IN GENERAL

In March 1998, NARUC urged the collection of service quality data from incumbent local exchange carriers ("ILECs") and competitive local exchange carriers ("CLECs"). Because of the importance of monitoring the service quality trends in a timely manner, the Technology Policy Sub-Committee recommends that ILECs and CLECs collect service quality data on a monthly basis and, to minimize their reporting burden, report the monthly service quality data to Federal and state regulatory commissions on a quarterly basis. In addition, the underlying data used to develop such service quality reports should be retained for a period of two years and made available upon request to federal and state regulators.

III. PERFORMANCE DATA

The Technology Policy Sub-Committee's Service Quality Working Group has identified five major categories of performance data useful for measuring the quality of telecommunications service. A brief description accompanies each recommended category. Key definitions are provided in Section IV of this White Paper.

1. INSTALLATION

Reporting data about the installation of basic service allows commissions to evaluate the adequacy of the carrier's telephone plant facilities and workforce, and the carrier's success at meeting customer expectations.

a) Installation orders for basic service

Report the number of all installation orders for basic service occurring within the reporting period. Installation orders include new orders, transfer orders, and change orders. Disaggregate into business and residential classifications and, where feasible, rural and urban.

b) Installation orders for basic service completed within 'X' working days

Report the number of installation orders for basic service completed within 5 working days. The working group recognizes that other time periods, such as 3 days, may be appropriate in some states. Disaggregate into business and residential classifications and, where feasible, rural and urban.

c) Held Orders (30 days)

Report the number of requests or orders for basic service delayed over 30 calendar days. In some states, monitoring requests or orders for basic service delayed over 60 or 90 calendar days may be appropriate.

d) Missed Installation Commitments

Report (1) the number of missed installation commitments, and (2) the total installation commitments during the reporting period. Disaggregate into business and residential classifications and, where feasible, rural and urban.

2. MAINTENANCE & REPAIR

Reporting data about the maintenance and repair of basic service allows commissions to evaluate the adequacy of the carrier's telephone plant facilities and workforce, and the carrier's success at providing continual service for its customers.

a) Trouble Reports

Report the number of initial and repeat trouble reports occurring within the reporting period. Disaggregate into business and residential classifications and, where feasible, rural and urban.

Most telecommunications carriers have company procedures in which certain calls to the repair center are not counted as true "troubles." State commissions and U.S. Territories have encountered significant discrepancies in the exceptions found in audits of telecommunications carriers. One carrier may have a list of twenty or more reasons for excluding a trouble ticket from the report, while another utility may have only two or three acceptable exceptions. In order to facilitate benchmarking carrier performance and analysis of service quality data, the Technology Policy Subgroup suggests that telecommunications carriers simply pass along all trouble report data. By excluding the use of such exceptions, the Technology Policy Subgroup anticipates that the accuracy of the reported service quality data will increase, while the reporting burden on the carrier will decrease.

1. Initial Trouble Reports

- 1.01 Number of Out-of-Service Initial Trouble Reports
- 1.02 Total Initial Trouble Reports
- 1.03 Total Subsequent Initial Trouble Reports

2. Repeat Trouble Reports

- 2.01 Number of Out-of-Service Repeat Trouble Reports
- 2.02 Total Repeat Trouble Reports
- 2.03 Total Subsequent Repeat Trouble Reports

3. Access Lines

- 3.01 Total Number of Access Lines Served by the Reporting Carrier

b) Repair intervals

The carrier's repair interval provides a measure of the carrier's operating procedures and workforce levels. Expected performance levels may vary according to the state and the size of the reporting carrier. Disaggregate into business and residential classifications and, where feasible, rural and urban.

1. Number of Out-of-Service Troubles for more than 24 hours

Report the number of out-of-service troubles that remain out-of-service for 24 hours.

2. Average Repair Interval

Report the average duration, in hours, to repair all basic service troubles.

c) Missed Repair Commitments

The number of missed repair commitments measures the adequacy of the carrier's workforce and the efficiency of its maintenance and repair operations. Report (1) the number of missed repair commitments, and (2) the total number of repair commitments during the reporting period. Disaggregate into business and residential classifications and, where feasible, rural and urban.

3. NETWORK PERFORMANCE

The number and duration of switch outages and interoffice transmission facility outages indicate the carrier's success at providing continual access to the full capabilities and benefits of the network. Besides these categories, other indicators of network performance, such as trunk blockage, provide valuable information about the end-to-end performance of the public network. Disaggregate into business and residential classifications and, where feasible, rural and urban.

a) Switch and Line Concentrator Outages

Report the time, date, location, and duration of all switch and line concentrator outages occurring for two or more minutes in duration. Annotate the cause of the switch outages, if known. Report switch outages resulting from regularly-scheduled maintenance separately from unscheduled switch outages.

b) Interoffice Transmission Facility Outages

Report the time, date, location, and duration of all interoffice transmission facility outages occurring for 6 hours or more in duration, affecting 500 or more working channels for ten minutes or longer, or that totally isolate a switch or community. Annotate the cause of the facility outage, if known.

4. CUSTOMER PERCEPTION

Customer experience with a telecommunications carrier may not always be reflected in installation, maintenance, and network performance data. Monitoring customer complaints to State commissions and U.S. Territories and the results of telephone surveys provides two methods for assessing consumer perception of telecommunications service quality.

a) Customer Complaints

Report the number of customer contacts to the state commission that were referred to the carrier for action and/or investigated by the state commission. Disaggregate into business and residential classifications and, where feasible, rural and urban.

b) Customer Surveys

Report, by state, the percentage of satisfied and dissatisfied customers gathered from the company's internally conducted telephone satisfaction survey. Disclose sample size, confidence level, and margin of error. Disaggregate into business and residential classifications and, where feasible, rural and urban.

5. ANSWER TIME PERFORMANCE

Customers calling companies can obtain required service through both automated systems and live attendants. To capture the performance of all forms of systems, the working group recommends the following performance measures as a way to monitor answer time performance.

Report the following measures for the business (including billing) and repair offices:

- a) Total calls attempted
- b) Total calls answered by recorded information
- c) Total calls live-answered by attendants
- d) Total calls abandoned or dropped
- e) Average waiting time for all calls answered live, as measured from the time the customer chooses to talk to a live operator.

IV. DEFINITIONS

Access Lines: An access line is a channel of varying size with an associated telephone number. Access lines to be counted: All public switched network lines, including residence, business, Centrex, ISDN, Payphone, and voice-grade PBX trunks.

Basic Service: The provision of access to: one party line service, local/toll calling, local usage, tone dialing, emergency services, assistance services, telecommunications relay services, directory listings, privacy protections and non-published service associated with the public switched network.

Held Order: Requests or orders for basic service delayed over 30 calendar days because of telephone utility plant or workforce problems.

Missed Installation Commitment: A missed installation commitment occurs when basic local exchange service is not provided to the consumer's interface on or before the date and time of the commitment with the customer.

Missed Repair Commitment: A missed repair commitment occurs when a customer trouble is not repaired on or before the date and time of the commitment with the customer.

Out-of-Service: A classification of a trouble report where the customer indicates either: (1) an inability to complete incoming or outgoing calls; or (2) the presence of interference which causes connected calls to be incomprehensible.

Trouble: A trouble is an impairment of the telephone network, or a deviation from its design specifications.

Trouble Report: The record of when the repair office personnel receives notification of a trouble or perceived trouble by a subscriber, third party, or employee acting as a subscriber or when other employees receive notification of a trouble or perceived trouble by a subscriber, third party, or employee acting as a subscriber and refers the report to the repair office.

Initial Trouble Report: The first customer trouble report associated with a specific trouble on a subscriber line for which there is no pending trouble report.

Repeat Trouble Report: Customer trouble reports received within thirty days after the resolution of an initial trouble report on the same line.

Subsequent Trouble Report: Customer trouble report made after an initial or repeat trouble report, but before the carrier has resolved the initial or repeat trouble report.

Urban/Rural Areas: Metropolitan Statistical Areas and non-Metropolitan Statistical Areas are existing categories that can be used to facilitate comparisons between urban and rural areas. Metropolitan Statistical Areas ("MSAs") are designated by the Office of Management and Budget in a list released following each decennial census. As a general rule, an MSA includes at least one city with a minimum population of 50,000, or an urbanized area with a population of at least 50,000. All counties not part of an MSA are categorized as non-MSA areas. Carriers are already familiar with the MSA and non-MSA categories because the FCC's current reporting program uses MSA and non-MSA categories to depict rural and urban results. Besides the MSA and non-MSA categories, States may wish to use other methods for distinguishing between urban and rural areas, such as the Census Bureau definitions, including central city.

APPENDIX D

INITIAL REGULATORY FLEXIBILITY ANALYSIS

As required by the Regulatory Flexibility Act (RFA),⁴⁷ the Commission has prepared this present Initial Regulatory Flexibility Analysis (IRFA) of any possible significant economic impact on small entities by the policies and rules proposed in this Notice of Proposed Rulemaking (Notice). Written public comments are requested on this IRFA. Comments must be identified as responses to the IRFA and must be filed by the deadlines for comments on this Notice, which are set out in paragraph 49 of the Notice. The Commission will send a copy of this Notice, including this IRFA, to the Chief Counsel for Advocacy of the Small Business Administration.⁴⁸ In addition, this Notice and IRFA (or summaries thereof) will be published in the Federal Register.⁴⁹

I. Need for, and Objectives of, the Proposed Action:

The Commission has initiated this proceeding to determine whether it should improve the current service quality monitoring program. The Commission's goal is to ensure that the monitoring program will be uniform and provide the information needed to carry out statutory and policymaking responsibilities. The Commission notes that as competition develops in the local exchange market, consumers will benefit from the ability to compare carriers' service quality. This should in turn lead to the availability of higher quality services for consumers.

II. Legal Basis:

The legal basis for the action as proposed for this rulemaking is contained in sections 4(i), 4(j), 201(b), 303(r), and 403 of the Communications Act of 1934, as amended, 47 U.S.C. §§ 154(i), 154(j), 201(b), 303(r), and 403.

III. Description and Estimate of the Number of Small Entities to which the Proposed Action May Apply:

Currently, only price cap incumbent local exchange carriers (LECs) file service quality reports, the Automated Reporting Management Information System (ARMIS)⁵⁰ 43-05 Report (Service Quality) and the ARMIS 43-06 Report (Customer Satisfaction). The Commission seeks comment on whether additional carriers, *e.g.*, all LECs, should comply with the proposed service quality reporting requirements and if compliance should be on a mandatory or voluntary basis. Below is a detailed description of the types of entities that could be required to comply with the proposed reporting requirement (either on a mandatory or voluntary basis).

⁴⁷ See 5 U.S.C. § 603. The RFA, *see* 5 U.S.C. § 601 *et seq.*, has been amended by the Contract with America Advancement Act of 1996, Pub. L. No. 104-121, 110 Stat. 847 (1996) (CWAAA). Title II of the CWAAA is the Small Business Regulatory Enforcement Fairness Act of 1996 (SBREFA).

⁴⁸ See 5 U.S.C. § 603(a).

⁴⁹ *Id.*

⁵⁰ ARMIS is an automated system established by the Commission in 1987 for collecting financial and operating data. See Automated Reporting Requirements for Certain Class A and Tier 1 Telephone Companies, *Report and Order*, 2 FCC Rcd 5770 (1987), *recon.*, 3 FCC Rcd 6375 (1988).

The RFA directs agencies to provide a description of, and, where feasible, an estimate of the number of small entities that may be affected by the proposed rules, if adopted.⁵¹ To estimate the number of small entities that may be affected by the proposed rules, we first consider the statutory definition of "small entity" under the RFA. The RFA generally defines "small entity" as having the same meaning as the term "small business," "small organization," and "small governmental jurisdiction."⁵² In addition, the term "small business" has the same meaning as the term "small business concern" under the Small Business Act, unless the Commission has developed one or more definitions that are appropriate to its activities.⁵³ Under the Small Business Act, a "small business concern" is one that: (1) is independently owned and operated; (2) is not dominant in its field of operation; and (3) meets any additional criteria established by the Small Business Administration (SBA).⁵⁴ The SBA has defined a small business for Standard Industrial Classification (SIC) categories 4812 (Radiotelephone Communications) and 4813 (Telephone Communications, Except Radiotelephone) to be small entities when they have no more than 1,500 employees.⁵⁵

The most reliable source of information regarding the total numbers of common carrier and related providers nationwide, appears to be data the Commission publishes in its *Trends in Telephone Service* report.⁵⁶ According to data in the most recent report, there are 4,144 interstate carriers.⁵⁷ These carriers include, *inter alia*, local exchange carriers, wireline carriers and service providers, interexchange carriers, competitive access providers, operator service providers, pay telephone operators, providers of telephone toll service, providers of telephone exchange service, and resellers.

We have included small incumbent LECs in this present RFA analysis. As noted above, a "small business" under the RFA is one that, *inter alia*, meets the pertinent small business size standard (e.g., a telephone communications business having 1,500 or fewer employees), and "is not dominant in its field of operation."⁵⁸ The SBA's Office of Advocacy contends that, for RFA purposes, small incumbent LECs are not dominant in their field of operation because any such

⁵¹ 5 U.S.C. § 603(b)(3).

⁵² 5 U.S.C. § 601(6).

⁵³ 5 U.S.C. § 601(3) (incorporating by reference the definition of "small business concern" in 15 U.S.C. § 632). Pursuant to 5 U.S.C. § 601(3), the statutory definition of a small business applies "unless an agency after consultation with the Office of Advocacy of the Small Business Administration and after opportunity for public comment, establishes one or more definitions of such term which are appropriate to the activities of the agency and publishes such definition in the Federal Register."

⁵⁴ 15 U.S.C. § 632.

⁵⁵ 13 C.F.R. § 121.201.

⁵⁶ FCC, Common Carrier Bureau, Industry Analysis Division, *Trends in Telephone Service*, Table 19.3 (March 2000).

⁵⁷ *Id.*

⁵⁸ 5 U.S.C. § 601(3).

dominance is not "national" in scope.⁵⁹ We have therefore included small incumbent LECs in this RFA analysis, although we emphasize that this RFA action has no effect on the Commission's analyses and determinations in other, non-RFA contexts.

Total Number of Telephone Companies Affected. The United States Bureau of the Census (Census Bureau) reports that, at the end of 1992, there were 3,497 firms engaged in providing telephone services, as defined therein, for at least one year.⁶⁰ This number contains a variety of different categories of carriers, including local exchange carriers, interexchange carriers, competitive access providers, cellular carriers, mobile service carriers, operator service providers, pay telephone operators, personal communications services (PCS) providers, covered specialized mobile radio (SMR) providers, and resellers. It seems certain that some of those 3,497 telephone service firms may not qualify as small entities or small incumbent LECs because they are not "independently owned and operated."⁶¹ For example, a PCS provider that is affiliated with an interexchange carrier having more than 1,500 employees would not meet the definition of a small business. It seems reasonable to conclude, therefore, that fewer than 3,497 telephone service firms are small entity telephone service firms or small incumbent LECs that may be affected by the decisions and rules proposed in the Notice.

Wireline Carriers and Service Providers. The SBA has developed a definition of small entities for telephone communications companies other than radiotelephone companies. The Census Bureau reports that, there were 2,321 such telephone companies in operation for at least one year at the end of 1992.⁶² According to SBA's definition, a small business telephone company other than a radiotelephone company is one employing no more than 1,500 persons.⁶³ All but 26 of the 2,321 non-radiotelephone companies listed by the Census Bureau were reported to have fewer than 1,000 employees. Thus, even if all 26 of those companies had more than 1,500 employees, there would still be 2,295 non-radiotelephone companies that might qualify as small incumbent LECs. It seems certain that some of these carriers are not independently owned and operated, but we are unable at this time to estimate with greater precision the number of wireline carriers and service providers that would qualify as small business concerns under SBA's definition. Consequently, we estimate that there are fewer than 2,295 small entity telephone communications companies other than radiotelephone companies that may be affected by the decisions and rules proposed in the Notice.

⁵⁹ See letter from Jere W. Glover, Chief Counsel for Advocacy, SBA, to William E. Kennard, Chairman, FCC (May 27, 1999). The Small Business Act contains a definition of "small business concern," which the RFA incorporates into its own definition of "small business." See U.S.C. § 632(a) (Small Business Act); 5 U.S.C. § 601(3) (RFA). SBA regulations interpret "small business concern" to include the concept of dominance on a national basis. 13 C.F.R. § 121.102(b). Since 1996, out of an abundance of caution, the Commission has included small incumbent LECs in its regulatory flexibility analyses. See, e.g., Implementation of the Local Competition Provisions of the Telecommunications Act of 1996, CC Docket 96-98, *First Report and Order*, 11 FCC Rcd 15499, 16144-45 (1996).

⁶⁰ United States Department of Commerce, Bureau of the Census, 1992 Census of Transportation, Communications, and Utilities: Establishment and Firm Size, at Firm Size 1-123 (1995) (*1992 Census*).

⁶¹ 15 U.S.C. § 632(a)(1).

⁶² *1992 Census* at Firm Size 1-123.

⁶³ 13 C.F.R. § 121.201, SIC Code 4813.

Local Exchange Carriers, Interexchange Carriers, Competitive Access Providers, and Resellers. Neither the Commission nor the SBA has developed a definition of small LECs, interexchange carriers (IXCs), competitive access providers (CAPs), or resellers. The closest applicable definition for these carrier-types under SBA rules is for telephone communications companies other than radiotelephone (wireless) companies.⁶⁴ According to recent *Trends in Telephone Service* data, 1,348 incumbent carriers reported that they were in the provision of local exchange services.⁶⁵ According to the most recent *Trends in Telephone Service* data, 212 CAP/CLECs carriers and 10 other LECs reported that they engaged in competitive local exchange services.⁶⁶ It seems certain that some of these carriers are not independently owned and operated, or have more than 1,500 employees; however, we are unable at this time to estimate with greater precision the number of these carriers that would qualify as small business concerns under SBA's definition. Consequently, we estimate that there are fewer than 1,348 small incumbent LECs, 212 small entity CAPs, and 10 other small entity LECs that may be affected by the rules proposed in the Notice.

Rural Radiotelephone Service. The Commission has not adopted a definition of small entity specific to the Rural Radiotelephone Service.⁶⁷ A significant subset of the Rural Radiotelephone Service is the Basic Exchange Telephone Radio Systems (BETRS).⁶⁸ We will use the SBA's definition applicable to radiotelephone companies, *i.e.*, an entity employing no more than 1,500 persons.⁶⁹ There are approximately 1,000 licensees in the Rural Radiotelephone Service, and we estimate that almost all of them qualify as small entities under the SBA's definition.

IV. Description of Proposed Reporting, Recordkeeping, and Other Compliance Requirements:

The focus of this proceeding is whether the Commission should require LECs to report certain service quality information in a more consumer-friendly format instead of the format of the current ARMIS reports. Historically, service quality reporting was limited to the price cap LECs. With the emergence of competition in the local exchange market, service quality information on competitive LECs would permit consumers to compare carriers in their area. The Notice seeks comment on the costs and benefits of imposing new service quality reporting requirements on all LECs.⁷⁰ The Notice seeks comment on whether the Commission should

⁶⁴ 13 C.F.R. § 121.201, SIC Code 4813.

⁶⁵ FCC, Common Carrier Bureau, Industry Analysis Division, *Trends in Telephone Service*, Table 19.3 (March 2000).

⁶⁶ *Id.*

⁶⁷ The Rural Radiotelephone Service is defined in section 22.99 of the Commission's rules, 47 C.F.R. § 22.99.

⁶⁸ BETRS is defined in sections 22.757 and 22.759 of the Commission's rules, 47 C.F.R. §§ 22.757, 22.759.

⁶⁹ 13 C.F.R. § 121.201, SIC Code 4812.

⁷⁰ See paragraph 29, *supra*.

modify its service quality reporting requirements by reducing the quantity of data requested and if all LECs should report this information on a mandatory or voluntary basis.

Commenters should discuss whether state commissions currently require LECs to provide the proposed service quality information. If LECs – other than price cap incumbent LECs – are required to file this service quality information with a state commission, is there an additional cost in preparing and filing the service quality data with the Commission? Commenters should discuss the costs to small entities of preparing the proposed service quality reports for federal reporting purposes.

The Notice sets out in detail, and seeks comment on, the types of carriers that should report, frequency of reports, and data to be reported. Under the proposal, there would be fewer categories of data reported but more carriers may be required to report. The Notice seeks comment on whether there are other types of service quality information that consumers would find useful, and if so, what are the benefits, burdens and feasibility of requiring carriers to collect and disclose such information.⁷¹ Commenters should address the benefit of giving consumers access to service quality data from all carriers providing local exchange service in their area, including small entities, and discuss the increased cost, if any, to smaller LECs.

V. Steps Taken to Minimize Significant Economic Impact on Small Entities, and Significant Alternatives Considered:

The RFA requires an agency to describe any significant alternatives that it has considered in reaching its proposed approach, which may include the following four alternatives (among others): (1) the establishment of differing compliance or reporting requirements or timetables that take into account the resources available to small entities; (2) the clarification, consolidation, or simplification of compliance or reporting requirements under the rule for small entities; (3) the use of performance, rather than design, standards; and (4) an exemption from coverage of the rule, or any part thereof, for small entities. 5 U.S.C. § 603(c).

One of the goals in this proceeding is to consider whether consumers should have access to service quality information that can be used to make comparisons between the incumbent LEC and other carriers in their area. Service quality information is of limited use if the consumers do not have comparable information on all carriers in their area, including any small entities that might provide service. With the emergence of competition in the local exchange market, accurate service quality information on all LECs would permit consumers to compare carriers. The Notice seeks comment on the costs and benefits of imposing new service quality reporting requirements on all LECs⁷² and on whether all LECs should be required to report service quality data. Under this scenario, small entities may be required to report service quality data. The Commission is seeking to balance the consumers' need for information with the reporting burden on the industry, particularly small entities. Commenters should discuss how the imposition of service quality reporting on carriers other than price cap incumbent LECs may be burdensome, and the costs of compliance. Commenters should discuss whether certain entities should be exempt from service quality reporting requirements and how that could be done without compromising the goals in this proceeding.

⁷¹ See paragraph 23, *supra*.

⁷² See *id.*

One alternative would be to limit service quality reporting to the incumbent LECs. This alternative, however, would not permit consumers to compare service providers in their area. The Commission observes that the effective functioning of competitive markets is predicated on consumers having access to accurate information. Thus, revising the current service quality reporting requirements may be essential to allow consumers to compare service quality among or between carriers and make informed choices. A second alternative would be to make service quality reporting voluntary for certain carriers. Commenters advocating limiting service quality reporting to price cap LECs should discuss how consumers would have access to service quality data on all LECs in their area if only the price cap LECs were required to file service quality reports. Another alternative would be to limit service quality reporting to carriers whose performance fell below a specified performance benchmark. This alternative would reduce reporting burdens for carriers, including small carriers, that do not have significant service quality problems.

This proposed reporting requirement is less than the current service quality reporting requirement (now limited to price cap LECs). Commenters should discuss whether the proposed reporting requirements should be streamlined for small entities and how this could be done without compromising the goals in this proceeding. Commenters should address any cost savings to small entities resulting from such streamlining.

VII. Federal Rules that May Duplicate, Overlap, or Conflict With the Proposed Rule:

None.

SEPARATE STATEMENT OF COMMISSIONER GLORIA TRISTANI

Re: 2000 Biennial Review – Telecommunications Service Quality Reporting Requirements, CC Docket No. 00-229

I enthusiastically support the notice of proposed rulemaking we adopt today. With this proceeding, we are taking a serious look at how the FCC can provide information to consumers that will empower them in choosing among competitive telecommunication providers.

This notice asks important questions regarding what types of information will be useful to consumers in selecting their telecommunications carriers. Such types of information may include the length of time customers wait on hold before speaking to a customer service representative and the number of complaints carriers receive directly from consumers. Additionally, we inquire into whether we should expand the types of services about which we collect service quality information. For example, we ask whether there is service quality information that will address consumer concerns regarding how time consuming it often is to initiate broadband services. In each of these areas we will need to consider the benefits of making such information publicly available and the burden of reporting such information. I strongly encourage consumer groups and state commissions that have experience with these consumer issues to participate fully in this proceeding.